



State of North Dakota
Office of the Commissioner of Insurance

J. O. Wigen, Commissioner

State Capitol Building
Bismarck, North Dakota 58505
Phone: (701) 224-2440

BULLETIN 82 - 2

TO: ALL INSURANCE COMPANIES LICENSED TO DO BUSINESS IN THE
STATE OF NORTH DAKOTA
FROM: J. O. "BUD" WIGEN, COMMISSIONER OF INSURANCE
RE: AGENTS' LICENSING (UNLICENSED BROKERING)
DATE: JULY 9, 1982

On June 24, 1982, this department issued a bulletin regarding Section 26-17.1-06 of the North Dakota Century Code and the failure of agents and companies to comply with its provisions. It appears that there is an additional area of significant non-compliance.

Section 26-17.1-06 prohibits the placing of a policy of insurance with a company through which an agent is not properly licensed and also prohibits an agent from acting as if he were a broker unless so licensed.

Agents are referring applications to brokers who in turn submit the applications to the insurance company. The referring agent is being paid a commission and is neither licensed through that company nor as a broker. Such conduct is not permitted under Section 26-17.1-06 and may well constitute a violation for which action may be taken against the agent's license.